Ontario

2003

CROP BUDGETS

Publication 60

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These crop budgets are a simple format for estimating expenses. The sample costs are only a guide to illustrate a method of preparing your projections. They are based on many assumptions, including seeding rates, levels of fertilizer use, etc. Due to regional differences, there may be considerable variation in results.

To project your breakeven price after total costs, enter your farm figures in the spaces provided. The resulting estimate will assist you in choosing your crop mix, and setting target prices and marketing strategies for your farm.

MINISTRY OF AGRICULTURE AND FOOD

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2003 CROP BUDGETS

Crop budgets are a management tool to estimate costs and evaluate cropping alternatives. The sample costs are not averages or recommended treatments. The budgets comprise treatments derived from crop advisors in the areas where the crops are commonly grown. There will be differences due to growing region, cropping practices, individual needs, and yield expectations. The budgets, unless indicated otherwise, are based on conventional tillage practices. Seed costs, except for the Roundup Ready™ Spring Canola and Soybeans, are non-GM varieties.

The increase in Identity Preserved (IP) crops requires budgeting for any extra expenses and revenue — for example increased seed, weed control, storage and equipment cleaning costs. Please note that some of the budgets provide a line item for this.

Interest rates were calculated at 5.5% for the period between planting and harvest.

These budgets will be most meaningful if you use your expected yields and specific costs in developing production plans. Sample costs were taken from the 2003 Budgeting Enterprises and Analyzing Risk program budgets.

The sample operating and overhead costs for machinery are averages derived from crop-cost studies, OMAF Factsheet Order No. 02-015, *Guide to Custom Farmwork and Short-term Equipment Rental* and Statistics Canada. These averages represent a wide range of individual results. It is recommended that you use your records to derive your costs. The crop insurance premiums shown are the producer premiums at the highest, fixed-price coverage level.

Experience is the best guide to help budget machinery costs. Prior year's statements of income and expenses can provide information on equipment repairs, maintenance and fuel costs. The portion of those costs that relate to crop production can be divided by the acres of crop produced to arrive at a cost per acre.

Overhead expenses are a major part of the total cost of doing business. In addition to the depreciation of machinery, include depreciation on all related tools and storage buildings. Land costs would include property tax and any other land related costs. Return on investment is an opportunity cost to you — the rate of return that you expect or want on your invested capital.

If there are significant debt commitments for land and equipment, an alternative method of budgeting overhead expenses is to use the debt servicing requirements. In this case, use the actual interest and principal payment commitments, rather than depreciation and expected return on invested capital.

Other overhead expenses should include insurance and storage. In all cases, divide overhead expenses by the acreage of crop to express costs on a per acre basis.

"Total Revenue" is the yield you expect multiplied by the price you expect, plus any returns from the Market Revenue Insurance Program. The farmer's share of the market revenue premium is 1/3rd of the pay out and will be deducted from any announced payment. Yield information is most accurate if based on your experience with the land and techniques you will be using. If you do not have such records, check with AGRICORP or a local farm supply dealer. They can help you develop plans and reasonable expectations for your crops.

"Gross Margin" is the difference between total operating expenses and total revenue. "Operating Expenses" (seed, fertilizer, fuel, repairs) change with the crop grown and the production blend used. "Fixed Costs" (e.g., depreciation, mortgage interest, building and liability insurance, office expenses) will show little or no change whether one crop or another is grown. "Gross Margin" is a quick and easy measure for comparing relative profitability among your cropping choices.

TABLE 1. Adjustment for Nitrogen Requirement to crops following a legume crop.

Type of crop	N requirement reduction (kg/ha) for all crops
Less than ⅓ legume	0
⅓ to ½ legume	55
½ or more legume	100
Perennial legumes seeded/ploughed in same year	45
Soybean and field bean residue	0

Use this table to help calculate the nitrogen credit value available to following crops in the Alfalfa Hay budget.
Source: *Publication 296, Field Crop Recommendations, 1999-2000.*

ALFALFA HAY

DIRECT SEEDING ESTABLISHMENT	Sample Costs/Acre	Your Farm Budget
Seed — 12 lb/acre alfalfa	49.20	
Other seed	1.05	
Inoculant	1.05	
Fertilizer — 125 kg/ha 8-32-16	15.75	
— 125 kg/ha 0-0-60 (applied in fall)	13.15	
Herbicide (if required)	13.90	
Crop insurance	2.40	
Tractor and machine expenses	12.00	
Total Establishment Expenses	**108.50**	
ANNUAL OPERATING EXPENSES (assuming two cuts)*		
Tractor and Machine Expenses		
Harvesting 1st cut — Fuel (11 L)	5.95	
Repairs	7.40	
Harvesting 2nd cut — Fuel (7 L)	3.80	
Repairs	5.30	
Twine	8.15	
Crop insurance	5.00	
Custom work		
Other costs		
Storage		
Land rent		
Consulting/labour	8.30	
Interest on operating	1.20	
Total Annual Operating Expenses	**45.10**	
***Note**: Assuming three cuts, the Annual Operating Cost per acre would increase*		
REVENUE		
Expected Yield _____		
Expected Price _____		
Total Revenue (Yield x Price)		
GROSS MARGIN (Revenue – Operating Expenses)		
OVERHEAD EXPENSES		
Machinery — Depreciation	27.15	
— Interest on investment	12.30	
Land		
Other overhead		
NITROGEN CREDIT TO FOLLOWING CROPS IN ROTATION		
Nitrogen credit ($/acre = N reduction(from Table 1 x price of N)		
Grain yield increase		
Total benefits/year		
TOTAL EXPENSES	**84.55**	

ALFALFA HAY

DIRECT SEEDING ESTABLISHMENT	Sample Costs/Acre	Your Farm Budget
Seed — 12 lb/acre alfalfa	49.20	
Other seed	1.05	
Inoculant	1.05	
Fertilizer — 125 kg/ha 8-32-16	15.75	
— 125 kg/ha 0-0-60 (applied in fall)	13.15	
Herbicide (if required)	13.90	
Crop insurance	2.40	
Tractor and machine expenses	12.00	
Total Establishment Expenses	**108.50**	
ANNUAL OPERATING EXPENSES (assuming two cuts)*		
Tractor and Machine Expenses		
Harvesting 1st cut — Fuel (11 L)	9.95	
Repairs	7.40	
Harvesting 2nd cut — Fuel (7 L)	3.80	
Repairs	5.30	
Twine	6.15	
Crop insurance	5.00	
Custom work		
Other costs		
Storage		
Land rent		
Consulting/labour	6.30	
Interest on operating	1.20	
Total Annual Operating Expenses	**65.10**	

** Note: Assuming three cuts, the Annual Operating Cost per acre would increase*

REVENUE		
Expected Yield _____		
Expected Price _____		
Total Revenue (Yield x Price)		
GROSS MARGIN (Revenue – Operating Expenses)		
OVERHEAD EXPENSES		
Machinery — Depreciation	27.15	
— Interest on investment	12.30	
Land		
Other overhead		
NITROGEN CREDIT TO FOLLOWING CROPS IN ROTATION		
Nitrogen credit ($/acre = N reduction from Table 1 x price of N)		
Grain yield increase		
Total benefits/year		
TOTAL EXPENSES	**84.50**	

BARLEY

OPERATING EXPENSES		Sample Costs/Acre	Your Farm Budget
Seed	— 120 lb/ac certified treated	38.00	
Fertilizer	— 150 kg/ha Urea (2800 or less Corn Heat Units[CHU])	88.20	
	— 100 kg/ha Urea (2800 or more CHU)	62.00	
	— 50 kg/ha P	47.00	
	— 50 kg/ha K	8.00	
Herbicide	— annual grasses	24.00	
	— broadleaf weeds	9.00	
Tractor and machine expenses			
Fuel (28 L)		16.00	
Repairs and maintenance		23.00	
Crop insurance		4.50	
Custom work	(fertilizer application)	6.00	
	(chemical application)	7.00	
	other		
Trucking		9.00	
Storage			
Land rent			
Consulting/labour		9.20	
Interest on operating		4.70	
	Total Operating Expenses — Grain (2800 or less CHU)	372.60	
	Total Operating Expenses — Grain (2800 or more CHU)	446.60	
Expenses for straw			
Tractor and machine expenses			
Fuel (6 L)		3.80	
Repairs and maintenance		9.20	
Twine		3.00	
Other			
	Total Operating Expenses — Straw	12.00	
	Total Operating Expenses (2800 or less CHU)	384.60	
	Total Operating Expenses (2800 or more CHU)	458.60	
REVENUE			
Expected Barley Yield			
Expected Barley Price			
	Total Market Revenue (Yield x Price)		
Program payment			
	Total Barley Revenue		
Expected Straw Yield			
Expected Straw Price			
	Total Straw Revenue (Yield x Price)		
	Total Revenue (Barley + Straw)		
GROSS MARGIN (Revenue – Operating Expenses)			

OVERHEAD EXPENSES		Barley Only	Barley + Straw	
Machinery	— Depreciation	38.20	36.50	
	— Interest on investment	18.00	17.40	
Land				
Other overhead				
	TOTAL EXPENSES (2800 or less CHU)	329.40	338.50	
	TOTAL EXPENSES (2800 or more CHU)	333.00	350.10	
Breakeven price on your farm is: (total expenses/expected yield)				

SPRING CANOLA

		Sample Costs/Acre	Roundup Ready Sample Costs/Acre	Your Farm Budget
OPERATING EXPENSES				
Seed	— ? lb/ac – open pollinated	30.00		
or	— ? lb/ac – hybrid	60.00	60.00	
Fertilizer	— (N kg/ac-P kg/ac-S kg/ac)	37.50	37.50	
	— 2M kg/ac S/ac	32.50	32.50	
Herbicide	— product, incorporated	10.00		
	— product, in-crop, if required	8.75		
	— other weed control		9.00	
Technology use agreement			12.00	
Insecticide				
Tractor and machine expenses				
Fuel (GTIL)		16.00	16.00	
Repairs and maintenance		25.00	25.00	
Wellbeing fee (62.5¢/tonne)		2.25	2.25	
Crop insurance		6.25	6.25	
Custom work	(fertilizer application)	4.00	4.00	
	(chemical application)	7.00	7.00	
	other			
Trucking		2.40	2.40	
Storage				
Land rent				
Consulting/labour				
Interest on operating		0.80	0.70	
	Total Operating Expenses (Open Pollinated)	**196.95**		
	Total Operating Expenses (Hybrid)	**227.95**	**199.70**	
REVENUE				
Expected Yield				
Expected Price				
	Total Market Revenue (Yield x Price)			
Program Payment				
	Total Revenue			
GROSS MARGIN (Revenue – Operating Expenses)				
OVERHEAD EXPENSES				
Machinery	— Depreciation	36.70	36.70	
	— Interest on investment	12.30	12.30	
Land				
Other overhead				
	TOTAL EXPENSES (Open Pollinated)	**333.95**		
	TOTAL EXPENSES (Hybrid)	**336.70**	**309.50**	
Breakeven price on your farm is (total expenses/expected yield)				

[illegible]

BARLEY

	Forecast (Current Year)	Year-Years Budget
[illegible]		
Seed		
Fertilizer		
Herbicide		
Irrigation and machine operation		
Fuel (Oil)		
Irrigation and maintenance		
Crop insurance		
Custom work		
Trucking		
Storage		
Land rent		
Consulting (Misc)		
Interest on operating		
Total Operating Expenses		
Total Operating Expenses		
[illegible]		
Irrigation and machine operation		
Fuel (Oil)		
Irrigation and maintenance		
Trucks		
Other		
Total Operating Expenses		
Total Operating Expenses		
Total Operating Expenses		
[illegible]		
Expected Barley Yield		
Expected Barley Price		
Total Barley Revenue (Yield x Price)		
Program payment		
Total Barley Revenue		
Expected Straw Yield		
Expected Straw Price		
Total Straw Revenue (Yield x Price)		
Total Revenue (Barley + Straw)		
[illegible] Operating Expenses		

[illegible]		
Machinery		
Land		
Other overhead		
Breakeven price on cost basis (total expenses/planted yield)		

[illegible]

[illegible]

[illegible]	Annual Statement	Working Copy Annual	Year Flow Budget
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]

COLOURED BEANS

		Sample Costs/Acre	Your Farm Budget
OPERATING EXPENSES			
Seed	— 80 lb/acre (wide rows)	70.00	
Fertilizer	— 110 kg/ha 8-32-16	13.90	
	— 175 kg/ha Urea	18.00	
Herbicide	— annual grass	14.00	
	— broadleaf weeds	19.00	
	— other weed control, if required		
Insecticide, if required		9.00	
Fungicide, if required			
Crop Inoculant		8.00	
Tractor and machine expenses			
Fuel (30 L)		15.60	
Repairs and maintenance		17.50	
Marketing fees ($5.00/tonne)		3.20	
Crop insurance		29.55	
Custom work	(fertilizer application)	6.00	
	(chemical application)	14.00	
Trucking		3.80	
Land rent			
Consulting/labour			
Interest on operating		7.40	
	Total Operating Expenses	249.15	
REVENUE			
Expected Yield			
Expected Price			
	Total Market Revenue (Yield x Price)		
Program Payment			
	Total Revenue		
GROSS MARGIN (Revenue - Operating Expenses)			
OVERHEAD EXPENSES			
Machinery	— Depreciation	32.55	
	— Interest on investment	15.60	
Land			
Other overhead			
	TOTAL EXPENSES	296.30	
Breakeven price on your farm is: (total expenses/expected yield)			

GRAIN CORN

		Tillage System			
		Conventional	Minimum Till	No-Till	
OPERATING EXPENSES		**Sample Costs/Acre**	**Sample Costs/Acre**	**Sample Costs/Acre**	**Your Farm Budget**
Seed	— 30,000 kernels	48.50	48.50	48.50	
Fertilizer	— 70 kg/ha MAP 11-52-0	11.60	11.60	11.60	
	— 80 kg/ha Muriate of Potash 0-0-60	8.40	8.40	8.40	
	— 575 kg/ha of 28-0-0 U.A.N.	50.55	50.55	50.55	
Herbicide	— annual grass and broadleaf weeds	34.25	34.25	34.25	
	— burndown			8.50	
	— other weed control, if required				
Insecticide, if required		22.10	22.10	22.10	
Seed treatment		2.00	2.00	2.00	
Tractor and machine expenses					
Fuel		9.55	7.70	5.65	
Repairs and maintenance		15.75	16.10	11.80	
Marketing fees ($0.40/tonne)		1.20	1.20	1.20	
Crop insurance		11.60	11.60	11.60	
Custom work	(fertilizer application)	6.00	6.00	6.00	
	(chemical applications, if required)	7.00	7.00	14.00	
	other				
Trucking		18.00	18.00	18.00	
Drying		42.00	42.00	42.00	
Land rent					
Operator labour (self or hired)		8.30	5.00	3.70	
Storage (per month)		8.40	8.40	8.40	
Interest on operating		8.40	8.30	8.50	
	Total Operating Expenses	**313.60**	**308.70**	**316.75**	
REVENUE					
Expected Yield					
Expected Price					
	Total Market Revenue (Yield x Price)				
Program Payment					
	Total Revenue				
GROSS MARGIN (Revenue – Operating Expenses)					
OVERHEAD EXPENSES					
Machinery	— Depreciation	31.30	28.50	20.90	
	— Interest on investment	19.95	17.20	12.60	
Land					
Other overhead		5.20	4.60	3.35	
	TOTAL EXPENSES	**370.05**	**359.00**	**353.60**	

Breakeven price on your farm is (total expenses/expected yield)

COLOURED BEANS

OPERATING EXPENSES	Sample Costs/Acre	Your Farm Budget
Seed — 80 lb/acre (wide rows)	70.00	
Fertilizer — 110 kg/ha 8-32-16	13.90	
— 175 kg/ha Urea	18.00	
Herbicide — annual grass	14.00	
— broadleaf weeds	19.00	
— other weed control, if required		
Insecticide, if required	9.00	
Fungicide, if required		
Crop dessicant	8.00	
Tractor and machine expenses		
Fuel (30 L)	15.60	
Repairs and maintenance	17.50	
Marketing fees ($5.00/tonne)	3.20	
Crop insurance	29.55	
Custom work (fertilizer application)	6.00	
(chemical application)	14.00	
Trucking	3.80	
Land rent		
Consulting/labour		
Interest on operating	7.40	
Total Operating Expenses	**248.15**	
REVENUE		
Expected Yield _____		
Expected Price _____		
Total Market Revenue (Yield x Price)		
Program Payment		
Total Revenue		
GROSS MARGIN (Revenue – Operating Expenses)		
OVERHEAD EXPENSES		
Machinery — Depreciation	32.55	
— Interest on investment	15.60	
Land		
Other overhead		
TOTAL EXPENSES	**296.30**	
Breakeven price on your farm is: (total expenses/expected yield)		

GRAIN CORN

	Tillage System			
	Conventional	Minimum Till	No-Till	
OPERATING EXPENSES	**Sample Costs/Acre**	**Sample Costs/Acre**	**Sample Costs/Acre**	**Your Farm Budget**
Seed — 30,000 kernels	48.50	48.50	48.50	
Fertilizer — 70 kg/ha MAP 11-52-0	11.60	11.60	11.60	
— 80 kg/ha Muriate of Potash 0-0-60	8.40	8.40	8.40	
— 575 kg/ha of 28-0-0 U.A.N.	50.55	50.55	50.55	
Herbicide — annual grass and broadleaf weeds	34.25	34.25	34.25	
— burndown			8.50	
— other weed control, if required				
Insecticide, if required	22.10	22.10	22.10	
Seed treatment	2.00	2.00	2.00	
Tractor and machine expenses				
Fuel	9.55	7.70	5.65	
Repairs and maintenance	15.75	16.10	11.80	
Marketing fees ($0.40/tonne)	1.20	1.20	1.20	
Crop insurance	11.60	11.60	11.60	
Custom work (fertilizer application)	6.00	6.00	6.00	
(chemical applications, if required)	7.00	7.00	14.00	
other				
Trucking	18.00	18.00	18.00	
Drying	42.00	42.00	42.00	
Land rent				
Operator labour (self or hired)	8.30	5.00	3.70	
Storage (per month)	8.40	8.40	8.40	
Interest on operating	8.40	8.30	8.50	
Total Operating Expenses	**313.60**	**308.70**	**316.75**	
REVENUE				
Expected Yield _____				
Expected Price _____				
Total Market Revenue (Yield x Price)				
Program Payment				
Total Revenue				
GROSS MARGIN (Revenue – Operating Expenses)				
OVERHEAD EXPENSES				
Machinery — Depreciation	31.30	28.50	20.90	
— Interest on investment	19.95	17.20	12.60	
Land				
Other overhead	5.20	4.60	3.35	
TOTAL EXPENSES	**370.05**	**359.00**	**353.60**	

Breakeven price on your farm is: (total expenses/expected yield)

SILAGE CORN

OPERATING EXPENSES	Sample Costs/Acre	Your Farm Budget
Seed — 31,000 kernels	50.00	
Fertilizer — 70 kg/ha MAP 11-52-0	11.60	
— 80 kg/ha Muriate of Potash 0-0-60	8.40	
— 575 kg/ha of 28-0-0 U.A.N.	50.55	
Herbicide — annual grass and broadleaf weeds	34.25	
— other weed control, if required		
Insecticide, if required	22.10	
Seed treatment	2.00	
Tractor and machine expenses		
Fuel (49 L)	25.50	
Repairs and maintenance	21.15	
Silo repair and maintenance		
Crop insurance	11.60	
Silage inoculant		
Custom work (fertilizer application)	6.00	
(chemical applications, if required)	7.00	
other		
Land rent		
Consulting/labour		
Interest on operating	6.90	
Total Operating Expenses	**257.05**	
REVENUE		
Expected Yield _____		
Expected Price _____		
Total Market Revenue (Yield x Price)		
Program Payment		
Total Revenue		
GROSS MARGIN (Revenue – Operating Expenses)		
OVERHEAD EXPENSES		
Machinery — Depreciation	38.10	
— Interest on investment	18.45	
Land		
Other overhead		
TOTAL EXPENSES	**313.60**	

Breakeven price on your farm is: (total expenses/expected yield)

OATS

OPERATING EXPENSES		Sample Costs/Acre	Your Farm Budget
Seed	— 85 lb/acre certified treated	25.10	
Fertilizer	— 100 kg/ha 6-24-24	11.50	
	— 65 kg/ha Urea (southern Ontario)	8.40	
	— 100 kg/ha Urea (Northern Ontario)	12.90	
Herbicide	— easy-to-control broadleaf, if required	2.10	
	— hard-to-control broadleaf, if required	5.40	
	— other weed control, if required		
Tractor and machine expenses			
Fuel (28 L)		14.55	
Repairs and maintenance		21.15	
Crop insurance		4.50	
Custom work	(fertilizer application)	6.00	
	(chemical application)	7.00	
	other		
Trucking		7.20	
Storage			
Land rent			
Consulting/labour			
Interest on operating		3.20	
	Total Operating Expenses — Grain	**118.35**	
Expenses for Straw			
Tractor and machine expenses			
Fuel (6 L)		3.10	
Repairs and maintenance		5.30	
Twine		3.60	
Other			
	Total Operating Expenses — Straw	**12.00**	
	Total Operating Expenses — (Grain + Straw)	**130.35**	
REVENUE			
Expected Oat Yield _____			
Expected Oat Price _____			
	Total Market Revenue (Yield x Price)		
Program Payment			
	Total Oats Revenue		
Expected Straw Yield _____			
Expected Straw Price _____			
	Total Straw Revenue (Yield x Price)		
	Total Revenue (Oats + Straw)		
GROSS MARGIN (Revenue – Operating Expenses)			

OVERHEAD EXPENSES		Oats Only	Oats + Straw	
Machinery	— Depreciation	30.15	36.30	
	— Interest on investment	14.55	17.50	
Land				
Other overhead				
	TOTAL EXPENSES	**175.05**	**184.15**	

Breakeven price on your farm is: (total expenses/expected yield) _____

SILAGE CORN

OPERATING EXPENSES	Sample Costs/Acre	Your Farm Budget
Seed — 31,000 kernels	50.00	
Fertilizer — 70 kg/ha MAP 11-52-0	11.60	
— 80 kg/ha Muriate of Potash 0-0-60	8.40	
— 575 kg/ha of 28-0-0 U.A.N.	50.55	
Herbicide — annual grass and broadleaf weeds	34.25	
— other weed control, if required		
Insecticide, if required	22.10	
Seed treatment	2.00	
Tractor and machine expenses		
Fuel (49 L)	25.50	
Repairs and maintenance	21.15	
Silo repair and maintenance		
Crop insurance	11.60	
Silage inoculant		
Custom work (fertilizer application)	6.00	
(chemical applications, if required)	7.00	
other		
Land rent		
Consulting/labour		
Interest on operating	6.90	
Total Operating Expenses	**257.05**	
REVENUE		
Expected Yield _____		
Expected Price _____		
Total Market Revenue (Yield x Price)		
Program Payment		
Total Revenue		
GROSS MARGIN (Revenue – Operating Expenses)		
OVERHEAD EXPENSES		
Machinery — Depreciation	38.10	
— Interest on investment	18.45	
Land		
Other overhead		
TOTAL EXPENSES	**313.60**	

Breakeven price on your farm is: (total expenses/expected yield) _____

OATS

OPERATING EXPENSES	Sample Costs/Acre	Your Farm Budget
Seed — 85 lb/acre certified treated	25.10	
Fertilizer — 100 kg/ha 6-24-24	11.50	
— 65 kg/ha Urea (southern Ontario)	8.40	
— 100 kg/ha Urea (Northern Ontario)	12.90	
Herbicide — easy-to-control broadleaf, if required	2.10	
— hard-to-control broadleaf, if required	5.40	
— other weed control, if required		
Tractor and machine expenses		
Fuel (28 L)	14.55	
Repairs and maintenance	21.15	
Crop insurance	4.50	
Custom work (fertilizer application)	6.00	
(chemical application)	7.00	
other		
Trucking	7.20	
Storage		
Land rent		
Consulting/labour		
Interest on operating	3.20	
Total Operating Expenses — Grain	**118.35**	
Expenses for Straw		
Tractor and machine expenses		
Fuel (6 L)	3.10	
Repairs and maintenance	5.30	
Twine	3.60	
Other		
Total Operating Expenses — Straw	**12.00**	
Total Operating Expenses — (Grain + Straw)	**130.35**	

REVENUE

Expected Oat Yield _____
Expected Oat Price _____
Total Market Revenue (Yield x Price)
Program Payment
Total Oats Revenue
Expected Straw Yield _____
Expected Straw Price _____
Total Straw Revenue (Yield x Price)
Total Revenue (Oats + Straw)
GROSS MARGIN (Revenue – Operating Expenses)

OVERHEAD EXPENSES

	Oats Only	Oats + Straw	
Machinery — Depreciation	30.15	36.30	
— Interest on investment	14.55	17.50	
Land			
Other overhead			
TOTAL EXPENSES	**175.05**	**184.15**	

Breakeven price on your farm is: (total expenses/expected yield)

SOYBEANS

	Tillage System			
	Conventional	No-Till	Roundup Ready™ No-Till	
OPERATING EXPENSES	**Sample Costs/Acre**	**Sample Costs/Acre**	**Sample Costs/Acre**	**Your Farm Budget**
Seed — 225,000 seeds/acre in 7 in. rows*	36.65	36.65	36.65	
Fertilizer — 100 kg/ha 6-24-24	11.50	11.50	11.50	
Herbicide — annual grass and broadleaf weeds	32.00	32.00	8.50	
— burndown		8.50	8.50	
— other weed control, if required				
Seed treatment/inoculant, if required	3.00	3.00	3.00	
Technology use agreement			15.00	
Tractor and machine expenses				
Fuel	6.70	3.60	3.60	
Repairs and maintenance	14.95	10.70	10.70	
Marketing fees ($0.70/tonne)	0.75	0.75	0.75	
Crop insurance	10.60	10.60	10.60	
Drying	5.00	5.00	5.00	
Custom work (chemical application)	7.00	7.00	14.00	
(fertilizer application)	6.00	6.00	6.00	
Added expense for IP				
Trucking	6.50	6.50	6.50	
Storage (per month)	2.80	2.80	2.80	
Land rent				
Operator labour (self or hired)	6.40	2.75	2.75	
Interest on operating	4.10	4.10	4.00	
Total Operating Expenses	**153.95**	**151.45**	**149.85**	
REVENUE				
Expected Yield _____				
Expected Price _____				
Total Market Revenue (Yield x Price)				
Additional Revenue from IP				
Program Payment				
Total Revenue				
GROSS MARGIN (Revenue - Operating Expenses)				
OVERHEAD EXPENSES				
Machinery — Depreciation	32.15	21.70	21.70	
— Interest on investment	20.45	13.70	13.70	
Land				
Other overhead	5.35	3.60	3.60	
TOTAL EXPENSES	**211.90**	**190.45**	**188.85**	

Breakeven price on your farm is: (total expenses/expected yield)

*Note: 180,000 seeds/acre in 14 in. rows

SOFT WINTER WHEAT

	Tillage System		
	Conventional	No-Till	
OPERATING EXPENSES	**Sample Costs/Acre**	**Sample Costs/Acre**	**Your Farm Budget**
Seed — 130 lb/acre certified treated	34.60	34.60	
Fertilizer — 5 U.S. gal/ac liquid fertilizer	12.00	12.00	
— 225 kg/ha Urea	29.00	29.00	
Herbicide — broadleaf weeds	6.25	6.25	
Fungicide			
Tractor and machine expenses			
Fuel	6.70	3.60	
Repairs and maintenance	14.95	10.70	
Crop insurance	7.45	7.45	
Marketing Board fee ($1.00/tonne)	1.90	1.90	
Custom work (fertilizer application)	6.00	6.00	
(chemical application)	7.00	7.00	
Added expense for IP			
Trucking	11.40	11.40	
Land rent			
Operator labour (self or hired)	6.40	2.75	
Interest on operating	6.00	5.40	
Total Operating Expenses — Grain	**149.65**	**138.05**	
Expenses for Straw			
Tractor and machine expenses			
Fuel (6 L)	3.10	3.10	
Repairs and maintenance	5.30	5.30	
Twine	3.60	3.60	
Other			
Total Operating Expenses — Straw	**12.00**	**12.00**	
Total Operating Expenses — (Grain + Straw)	**161.65**	**150.05**	
REVENUE			
Expected Wheat Yield _____			
Expected Wheat Price _____			
Total Market Revenue (Yield x Price)			
Additional income from IP			
Program Payment			
Total Wheat Revenue			
Expected Straw Yield _____			
Expected Straw Price _____			
Total Straw Revenue (Yield x Price)			
Total Revenue (Wheat + Straw)			
GROSS MARGIN (Revenue – Operating Expenses)			

OVERHEAD EXPENSES	Conventional		No-Till		
	Wheat Only	Wheat + Straw	Wheat Only	Wheat + Straw	
Machinery — Depreciation	32.15	38.20	21.70	27.75	
— Interest on investment	20.45	23.45	13.70	16.70	
Land					
Other overhead	5.35	6.25	3.60	4.40	
TOTAL EXPENSES	**219.60**	**229.55**	**189.05**	**198.90**	

Breakeven price on your farm is: (total expenses/expected yield) _____

SOYBEANS

	Tillage System			
	Conventional	No-Till	Roundup Ready® No-Till	
OPERATING EXPENSES	Sample Costs/Acre	Sample Costs/Acre	Sample Costs/Acre	Your Farm Budget
Seed — 225,000 seeds/acre in 7 in. rows*	36.00	36.00	36.00	
Fertilizer — 100 kg/ha 0-24-24	11.50	11.50	11.50	
Herbicide — annual grass and broadleaf weeds	12.00	12.00	9.50	
— burndown		9.50	9.50	
— other weed control, if required				
Seed treatment/inoculant, if required	3.00	3.00	3.00	
Technology use agreement			17.00	
Tractor and machine expenses				
Fuel	6.50	5.00	5.00	
Repairs and maintenance	14.95	10.50	10.50	
Marketing fees ($0.70/tonne)	0.75	0.75	0.75	
Crop insurance	10.00	10.00	10.00	
Drying	9.00	9.00	9.00	
Custom work (chemical application)	7.00	7.00	14.00	
(fertilizer application)	6.00	6.00	6.00	
Added expense for IP				
Trucking	6.50	6.50	6.50	
Storage (per month)	2.00	2.00	2.00	
Land rent				
Operator labour (self or hired)	6.40	2.75	2.75	
Interest on operating	4.10	4.10	4.00	
Total Operating Expenses	153.90	151.60	149.00	
REVENUE				
Expected Yield _____				
Expected Price _____				
Total Market Revenue (Yield x Price)				
Additional Revenue from IP				
Program Payment				
Total Revenue				
GROSS MARGIN (Revenue – Operating Expenses)				
OVERHEAD EXPENSES				
Machinery — Depreciation	32.10	23.70	23.70	
— Interest on investment	20.40	15.70	15.70	
Land				
Other overhead	9.20	5.00	5.00	
TOTAL EXPENSES	215.90	196.00	193.00	
Breakeven price on your farm is: (total expenses/expected yield)				

*Note: 180,000 seeds/acre in 14 in. rows

SOFT WINTER WHEAT

	Tillage System		
	Conventional	No Till	
OPERATING EXPENSES	Example Credit/Acre	Example Credit/Acre	Your Farm Budget
Seed — 130 lb/acre certified treated	38.00	38.00	
Fertilizer — 5 U.S. gal/ac liquid fertilizer	12.00	12.00	
— 225 kg/ha Urea	26.00	26.00	
Herbicide — broadleaf weeds	6.25	6.25	
Fungicide			
Tractor and machine expenses			
Fuel	6.70	5.60	
Repairs and maintenance	10.85	10.70	
Crop insurance	5.45	5.45	
Marketing Board fee (SU 00/tonne)	1.00	1.00	
Custom work (fertilizer application)	6.00	6.00	
(chemical application)	7.00	7.00	
Added expense for IP			
Trucking	11.00	11.00	
Land cost			
Operator labour (self or hired)	6.00	5.70	
Interest on operating	4.00	3.80	
Total Operating Expenses — Grain	145.45	138.95	
Expenses for Straw			
Tractor and machine expenses			
Fuel (0.5 L)	0.80	0.80	
Repairs and maintenance	0.30	0.30	
Twine	0.40	0.40	
Other			
Total Operating Expenses — Straw	1.50	1.50	
Total Operating Expenses — (Grain + Straw)	146.95	140.45	
REVENUE			
Expected Wheat Yield			
Expected Wheat Price			
Total Wheat Revenue (Yield x Price)			
Additional income from IP			
Program Payment			
Total Wheat Revenue			
Expected Straw Yield			
Expected Straw Price			
Total Straw Revenue (Yield x Price)			
Total Revenue (Wheat + Straw)			
GROSS MARGIN (Revenue – Operating Expenses)			

OVERHEAD EXPENSES	Conventional		No Till		
	Wheat Only	Wheat + Straw	Wheat Only	Wheat + Straw	
Machinery — Depreciation	32.05	30.20	28.70	27.70	
— Interest on investment	20.45	19.45	18.70	18.70	
Land					
Other overhead	8.20	8.20	7.60	8.80	
TOTAL EXPENSES	207.65	208.30	195.65	194.70	

Breakeven price on your farm is: (total expenses/expected yield)

[illegible]

[illegible] per Winter Wheat

Tillage System

	Conventional Sample Calculation	No-Till Sample Calculation	Your Farm Budget
OPERATING EXPENSES			
Seed — (1/3 Bu/ac certified treated)	(30.00)	(30.00)	
Fertilizer — (10-34-0 @ 90 lb/ac)	(23.00)	(23.00)	
— (32% UAN @ 75 lbs/ac)	(18.00)	(18.00)	
Herbicide — broadleaf weeds	(4.25)	(4.25)	
— other weed control, if required			
Fungicide			
Tractor and machine expenses:			
Fuel	(4.75)	(3.00)	
Repairs and maintenance	(10.00)	(8.75)	
Crop insurance	(7.50)	(7.50)	
Marketing Board fee ($1.00/tonne)	(1.00)	(1.00)	
Custom work (fertilizer application)	(4.00)	(4.00)	
(chemical application)	(7.00)	(7.00)	
Miscellaneous fee (if			
Trucking	(3.00)	(3.00)	
Land rent			
Operating interest (cell or bank)	(4.00)	(3.75)	
Interest on operating	(4.00)	(4.00)	
Total Operating Expenses — Grain	**(170.75)**	**(165.25)**	
Expenses for Straw			
Tractor and Machine Expenses:			
Fuel (if $)	(3.00)	(3.00)	
Repairs and maintenance	(7.00)	(7.00)	
Twine	(3.00)	(3.00)	
Other			
Total Operating Expenses — Straw	**(13.00)**	**(13.00)**	
Total Operating Expenses — (Grain + Straw)	**(183.75)**	**(178.25)**	
REVENUE			
Expected Wheat Yield			
Expected Wheat Price			
Total Wheat Revenue (Yield x Price)			
Additional income from (if			
Program Payment			
Total Wheat Revenue			
Expected Straw Yield			
Expected Straw Price			
Total Straw Revenue (Yield x Price)			
Total Revenue (Wheat + Straw)			
GROSS MARGIN (Revenue – Operating Expenses)			

OWNERSHIP EXPENSES	Conventional		No-Till	
	Wheat ($/ac)	Wheat + Straw	Wheat ($/ac)	Wheat + Straw
Machinery — Depreciation	(32.00)	(36.00)	(31.75)	(37.75)
— Interest on investment	(9.00)	(10.00)	(8.75)	(9.75)
Land				
Other overhead	(2.00)	(2.00)	(1.00)	(1.00)
TOTAL EXPENSES	**(183.75)**	**(229.25)**	**(170.25)**	**(226.75)**
Breakeven price per ton (or bu) to cover expenses (yield)				

[illegible]

HARD RED SPRING WHEAT

[illegible]	Variable Costs/Acre	Your Farm Budget
Seed	[illegible]	
Fertilizer	[illegible]	
	[illegible]	
Herbicide	[illegible]	
	[illegible]	
	[illegible]	
Fungicide		
Topical pest control		
Pest (Aphis)	[illegible]	
Bygone pest maintenance	[illegible]	
Crop insurance	[illegible]	
Marketing Board (i.e. CS Ontario)	[illegible]	
Custom work: (fertilizer application)	[illegible]	
(chemical application) if required	[illegible]	
other		
Added expense for IP		
Trucking	[illegible]	
Land rent		
Consulting/labour		
Interest on operating	[illegible]	
Total Operating Expenses = [illegible]	[illegible]	
Expenses for Grain		
Topical pest Machine Expenses		
Fuel (diesel)	[illegible]	
Repairs and maintenance	[illegible]	
Twine	[illegible]	
Other		
Total Operating Expenses = [illegible]	[illegible]	
Total Operating Expenses = [illegible] + [illegible]	[illegible]	
REVENUE		
Expected Wheat Yield		
Expected Wheat Price		
Total Market Revenue (Yield x Price)		
Additional income from IP		
Program Payment		
Total Wheat Revenue		
Expected Straw Yield		
Expected Straw Price		
Total Straw Revenue (Yield x Price)		
Total Revenue (Wheat + Straw)		
[illegible] Revenue - Operating Expenses		

[illegible]	Wheat Only	Wheat + Straw
Machinery	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
Land		
Other overhead		
TOTAL EXPENSES	[illegible]	[illegible]
Breakeven price (cost/bushel) [total expenses/expected yield]		

HARD RED WINTER WHEAT

	Tillage System		
	Conventional	No-Till	
	Sample	Sample	Your Farm
OPERATING EXPENSES	Costs/Acre	Costs/Acre	Budget
Seed — 150 lb/acre certified treated	48.40	48.40	
Fertilizer — 5 U.S. gal/ac liquid fertilizer	12.00	12.00	
— 125 kg/ha Urea	41.90	41.90	
Herbicide — broadleaf weeds	6.25	6.25	
— other weed control, if required			
Fungicide			
Tractor and machine expenses			
Fuel	6.50	3.60	
Repairs and maintenance	14.95	10.70	
Crop insurance	7.45	7.45	
Marketing Board fee (\$1.00/tonne)	1.90	1.90	
Custom work (fertilizer application)	6.00	6.00	
(chemical application)	7.00	7.00	
Added expense for IP			
Trucking	11.40	11.40	
Land rent			
Operator labour (self or hired)	6.40	2.75	
Interest on operating	9.40	8.80	
Total Operating Expenses — Grain	**170.75**	**168.15**	
Expenses for Straw			
Tractor and Machine Expenses			
Fuel (5 L)	3.10	3.10	
Repairs and maintenance	5.30	5.30	
Twine	3.60	3.60	
Other			
Total Operating Expenses — Straw	**12.00**	**12.00**	
Total Operating Expenses — (Grain + Straw)	**182.75**	**180.15**	
REVENUE			
Expected Wheat Yield			
Expected Wheat Price			
Total Market Revenue (Yield x Price)			
Additional income from IP			
Program Payment			
Total Wheat Revenue			
Expected Straw Yield			
Expected Straw Price			
Total Straw Revenue (Yield x Price)			
Total Revenue (Wheat + Straw)			
GROSS MARGIN (Revenue – Operating Expenses)			

OVERHEAD EXPENSES	Conventional		No-Till		
	Wheat Only	Wheat + Straw	Wheat Only	Wheat + Straw	
Machinery — Depreciation	32.15	38.20	21.50	27.55	
— Interest on investment	20.45	23.45	13.70	16.70	
Land					
Other overhead	5.35	6.25	3.60	4.40	
TOTAL EXPENSES	**249.70**	**299.60**	**259.85**	**329.80**	
Breakeven price per tonne (total expenses/expected yield)					

HARD RED SPRING WHEAT

OPERATING EXPENSES		Sample Costs/Acre	Your Farm Budget
Seed	— 130 litres/ac certified treated	43.10	
Fertilizer	— 100 kg/ha 6-24-24	11.90	
	— 140 kg/ha Urea	18.05	
Herbicide	— broadleaf weeds, if required	6.25	
	— grass or wild oat control, if required	20.30	
	— other weed control, if required		
Fungicide			
Tractor and machine expenses			
Fuel (28 L)		14.55	
Repairs and maintenance		28.55	
Crop insurance		5.20	
Marketing Board fee ($1.00/tonne)		1.00	
Custom work	(fertilizer application)	6.00	
	(chemical application), if required	7.00	
	other		
Added expense for IP			
Trucking		6.00	
Land rent			
Consulting labour			
Interest on operating		4.60	
	Total Operating Expenses — Grain	**172.10**	
Expenses for Straw			
Tractor and Machine Expenses			
Fuel (6 L)		3.10	
Repairs and maintenance		5.30	
Twine		4.10	
Other			
	Total Operating Expenses — Straw	**12.50**	
	Total Operating Expenses — (Grain + Straw)	**184.60**	
REVENUE			
Expected Wheat Yield			
Expected Wheat Price			
	Total Market Revenue (Yield x Price)		
Additional income from IP			
Program Payment			
	Total Wheat Revenue		
Expected Straw Yield			
Expected Straw Price			
	Total Straw Revenue (Yield x Price)		
	Total Revenue (Wheat + Straw)		
GROSS MARGIN (Revenue – Operating Expenses)			

OVERHEAD EXPENSES		Wheat Only	Wheat + Straw	
Machinery	— Depreciation	30.15	30.95	
	— Interest on investment	14.55	17.40	
Land				
Other overhead				
	TOTAL EXPENSES	**229.30**	**238.95**	
Breakeven price on your farm is: (total expenses/expected yield)				

WHITE BEANS

OPERATING EXPENSES	Sample Costs/Acre	Your Farm Budget
Seed — 150,000 seeds/acre (narrow rows)	54.00	
Fertilizer — 170 kg/ha 6-24-24	19.60	
— nitrogen, if required		
Herbicide — annual grass	15.00	
— broadleaf weeds	19.00	
Crop dessicant	8.00	
Fungicide, if required		
Insecticide	9.00	
Tractor and machine expenses		
Fuel	14.00	
Repairs and maintenance	15.75	
Marketing fees ($5.70/tonne)	3.60	
Crop insurance	23.65	
Custom work (fertilizer application)	6.00	
(chemical application)	14.00	
Trucking	3.80	
Land rent		
Consulting/labour		
Interest on operating	5.60	
Total Operating Expenses	**211.00**	
REVENUE		
Expected Yield _____		
Expected Price _____		
Total Market Revenue (Yield x Price)		
Additional revenue from IP		
Program Payment		
Total Revenue		
GROSS MARGIN (Revenue – Operating Expenses)		
OVERHEAD EXPENSES		
Machinery — Depreciation	36.95	
— Interest on investment	17.40	
Land		
Other overhead		
TOTAL EXPENSES	**265.35**	
Breakeven price on your farm is: (total expenses/expected yield)		

WHITE BEANS

OPERATING EXPENSES	Sample Costs/Acre	Your Farm Budget
Seed — 150,000 seeds/acre (narrow rows)	54.00	
Fertilizer — 170 kg/ha 6-24-24	19.60	
— nitrogen, if required		
Herbicide — annual grass	15.00	
— broadleaf weeds	19.00	
Crop dessicant	8.00	
Fungicide, if required		
Insecticide	9.00	
Tractor and machine expenses		
Fuel	14.00	
Repairs and maintenance	15.75	
Marketing fees ($5.70/tonne)	3.60	
Crop insurance	23.65	
Custom work (fertilizer application)	6.00	
(chemical application)	14.00	
Trucking	3.80	
Land rent		
Consulting/labour		
Interest on operating	5.60	
Total Operating Expenses	**211.00**	
REVENUE		
Expected Yield _____		
Expected Price _____		
Total Market Revenue (Yield x Price)		
Additional revenue from IP		
Program Payment		
Total Revenue		
GROSS MARGIN (Revenue – Operating Expenses)		
OVERHEAD EXPENSES		
Machinery — Depreciation	36.95	
— Interest on investment	17.40	
Land		
Other overhead		
TOTAL EXPENSES	**265.35**	
Breakeven price on your farm is: (total expenses/expected yield)		

Ontario Ministry of Agriculture and Food (OMAF) Resources

Selected Factsheets and Publications	Order No
Budgeting Farm Machinery Costs	01-075
Guide to Custom Farmwork and Short-Term Equipment Rental	02-015
Leasing Farm Equipment	01-003

A full listing of publications and order forms are available on the OMAF Web site at www.gov.on.ca/OMAF/english/products/product.html. Publications can also be ordered by calling 1-888-466-2372 from within Ontario, (519) 826-3700 from outside the province or by e-mail at products@omaf.gov.on.ca.

OMAF has excellent tools and information to help you manage your farm business. These can be found at the Business Development Web site, www.gov.on.ca/OMAF/english/busdev/agbusdev.html. A new feature added in 2002 was the **Ontario Enterprise Budgets** Web site. Cost of production budgets, including field crops, are posted with two display options. You can either:

- download a Budgeting Tool Excel file where you can modify the numbers to reflect your operation, and the calculations are completed for you, or
- view/print Manual Budget Forms that have a "Sample Cost" and a "Your Farm" column, and then you input numbers manually in hard copy.

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